



# Department of Justice

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WEDNESDAY, MARCH 19, 2008  
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## **FORMER EDUCATION CONSULTANT SENTENCED TO 7 ½ YEARS IN PRISON FOR FRAUD AND BID RIGGING IN THE FEDERAL E-RATE PROGRAM**

WASHINGTON — A former education consultant from California was sentenced to serve 7½ years in prison for rigging bids and defrauding the E-Rate program, the Department of Justice announced. Judy N. Green, of Temecula, Calif., was sentenced today in U.S. District Court in San Francisco after a jury found her guilty on 22 counts of fraud, bid rigging, and conspiracy to commit wire fraud relating to technology projects funded by the E-Rate Program. The projects were at schools in seven states—Arkansas, California, Michigan, New York, Pennsylvania, South Carolina, and Wisconsin.

E-Rate, a program authorized by Congress in the Telecommunications Act of 1996, operates under the auspices of the Federal Communications Commission (FCC) to provide funding to school districts and libraries to connect to the Internet. Under the E-Rate program, schools can receive money for cabling, Internet backbone equipment (*i.e.*, servers, PBX and switches), and the reimbursement of monthly Internet and telephone connectivity service fees.

On Sept. 14, 2007, Green was convicted of orchestrating schemes to defraud the E-Rate Program of funds by inflating the cost of eligible equipment and services in order to pay for ineligible equipment and services, and by misrepresenting schools' ability and willingness to pay their portions of the projects' costs. The jury also found that Green rigged the bids on these projects in favor of vendors who had relationships with her. The fraud schemes and bid-rigging conspiracies involved more than 25 school projects located throughout the seven states during the 1998 to 2003 time period.

"Today's sentence reflects the seriousness of the offenses and demonstrates the commitment of the Antitrust Division to investigate and prosecute individuals who tamper with the competitive and administrative processes crucial for the operation of the E-Rate program," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division.

As a result of the Antitrust Division's investigation into fraud and anticompetitive conduct in the E-Rate program, a total of six companies and 12 individuals have pleaded guilty or have been convicted and found guilty or entered civil settlements and have paid, agreed to pay, or been sentenced to pay criminal fines and restitution totaling approximately \$40 million. Trials are currently pending in three additional E-Rate cases and one defendant remains an international fugitive.

Today's sentence is the result of a joint investigation by the Antitrust Division's Cleveland and San Francisco Offices; the Los Angeles, San Francisco, Fresno and Detroit Offices of the Federal Bureau of Investigation; and the Federal Communication Commission's Office of Inspector General. Anyone with information concerning fraud or anti-competitive conduct in the E-Rate Program should contact the Cleveland Field Office of the Antitrust Division at 216-687-8400 or the FBI's San Francisco Office at 415-553-7674.

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